

REMARKS

Election to one of the following inventions is required under 35 U.S.C. §121.

I. Claims 1-26, drawn to a base fluid and a drilling fluid comprising thereof, classified in class 507, subclass 118+,

II. Claims 27-39, drawn to a process for producing a drilling fluid, classified in class 507, subclass 103.

The Examiner states that the inventions are related as a process of making and product made. The inventions are distinct if either or both of the following can be shown: (1) that the process can as claimed can be used to make another and materially different product or (2) that the product as claimed can be made by another and materially different process. *October 5, 2006, Office Action, page 2.*

The Applicants hereby elect, without traverse, to prosecute Group I, Claims 1-26 directed to a base fluid and a drilling fluid, in the present application. Group II, Claims 27-39, are withdrawn without prejudice or disclaimer.

Claim 20 has been amended to correct the grammar and syntax of the originally filed claim. No new matter has been added by this amendment.

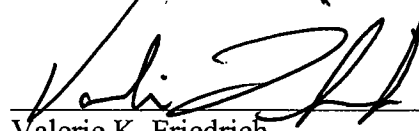
CONCLUSION

Applicants believe that the claims are now in condition for allowance and respectfully request that the Examiner grant such an action. If any questions or issues remain in the resolution of which the Examiner feels will be advanced by a conference with the Applicants' attorney, the Examiner is invited to contact the attorney at the number noted below.

No fees are due as a result of this Reply. The Commissioner is hereby authorized to charge any additional fees which may be required, or credit any overpayment, to Deposit Account No. 50-3420 (31176234-013002 (VKF)).

Respectfully submitted,

BAKER & MCKENZIE LLP

A handwritten signature in black ink, appearing to read 'Valerie K. Friedrich', written over a horizontal line.

Valerie K. Friedrich

Reg. No.: 39,676

Date: 10/26/06

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